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TO RUEHRL/AMEMBASSY BERLIN IMMEDIATE 1307
RUEHLO/AMEMBASSY LONDON IMMEDIATE 4245
RUEHVT/AMEMBASSY VALLETTA IMMEDIATE 7276
INFO IRAN COLLECTIVE IMMEDIATE

S E C R E T SECTION 01 OF 04 STATE 052348

SIPDIS E.O. 12958: DECL: 05/21/2029

TAGS: [EFIN](#) [ETTC](#) [KNNP](#) [IR](#) [UK](#) [MT](#) [PREL](#) [PARM](#) [FR](#)

SUBJECT: IRISL CONTINUING EVASIVE ACTIVITIES IN MALTA

Classified By: Acting EUR/PRA Office Director Mary Nash for reasons 1.4 (b) and (d).

1.(U) This is an action request. Please see paragraph 3.

----- SUMMARY/BACKGROUND -----

2.(S) The U.S. has information that the Islamic Republic of Iran Shipping Lines (IRISL) is creating phantom companies and engaging in other dec

----- OBJECTIVES/ACTION REQUEST -----

3.(S) Washington requests Posts pass the attached nonpaper in paragraph 6 to appropriate government officials and pursue the following objectiv

-- Stress that IRISL and its affiliates continue to use deceptive practices to obscure their activities from scrutiny.

FOR MALTA ONLY: -- Urge Government of Malta to approach law firms in its jurisdiction and recommend that they institute enhanced vigilance over

FOR UK ONLY: -- Recommend that all ships owned or operated by XXXXXXXXXXXX be subject to the same level of scrutiny as those of IRISL and its a

FOR GERMANY ONLY: -- Urge the German government to approach SMAG GmbH and all other domestic crane manufacturers and encourage them to cancel c

----- BACKGROUND ON U.S./MALTESE MEETINGS -----

14. (S//NF) On April 22, 2009, Treasury Under Secretary for Terrorism and Financial Intelligence Stuart Levey met with Alan Caruana, Head of Se

15. (S//NF) Upon returning to Malta, Caruana informed the Charg that Malta's Maritime Authority made its databases available to the public on-l

----- NONPAPER ON IRISL's CONTINUED DECEPTIVE PRACTICES -----

16. (S//REL MLT, GBR, AND GER) BEGIN TEXT OF S//REL MLT, GBR, AND GER NONPAPER -- The U.S. has continued concerns about the Islamic Republic of

-- As of mid-December 2008, IRSL has taken action to conceal its vessels' true identities in an attempt to maintain access to capital and avoid

-- IRISL has begun to reflag and rename its ships, remove its label and logo from the vessels, and set up new management companies abroad to hi

-- As of mid-December 2008, only 66 IRISL ships were still flying the Iranian flag; the rest were sailing under the flags of Malta (50), Hong K

-- Thirty-six of the Iranian-flagged vessels were tugs, tankers, or ships that operated exclusively in the Persian Gulf or the Caspian Sea and

-- IRISL also continues to charter foreign-operated vessels to expand its capacity and hide its activities. IRISL renamed vessels either during

-- The measures described above involved the need to repaint the hulls of renamed or flagged-out vessels. Some of this work had been done, but

-- IRISL has registered new companies in Malta and Hong Kong. XXXXXXXXXXXX IRISL had also set up four companies in Hong Kong that were acting c

-- To better evade scrutiny, as of mid-January 2009, IRISL had decided to rename each ship twice at the same time. IRISL had found that by only

-- As of late January 2009, IRISL had transferred four or five ships to the personal ownership of XXXXXXXXXXXX

POINT FOR UK ONLY: -- All ships owned or operated by XXXXXXXXXXXX should be subject to the same level of scrutiny as those of IRISL and its aff

END POINT FOR UK ONLY -- As of mid-January, IRISL planned to split into four companies. IRISL's operations would be divided into a bulk and gen

-- As of mid-January 2009, IRISL was experiencing serious cash flow problems.

STATE 00052348 003 OF 004 -- As of late-January, IRISL was forced to cancel a recent order it had placed with SMAG GmbH, a German company that

POINT FOR GERMANY ONLY: -- Given the importance of deck cranes to the operation of maritime cargo vessels, we urge the German government to app

END POINT FOR GERMANY ONLY -- As of mid-February 2009, Maltese law firm Ganado and Associates had terminated all aspects of its professional re

-- As of February 6, 2009, Ganado had officially terminated the mandate and ceased to act as special attorneys for the following IRISL-owned cc

-- We are concerned that IRISL could use these phantom companies to engage in proliferation-related activity and avoid scrutiny from foreign gc

POINTS FOR MALTA ONLY: -- We urge Maltese government officials to approach law firms in Maltese jurisdiction and recommend that they institute

-- The U.S. values Malta's partnership on proliferation-related issues and its previous attentiveness to IRISL's deceptive practices.

END POINTS FOR MALTA ONLY -- We look forward to working with you on this and other related security and counter-proliferation matters, and are

----- REPORTING DEADLINE -----

7.(U) Post should report results within seven business days of receipt of this cable. Please slug replies for ISN, T, EAP, EUR, TREASURY, and N

----- STATE 00052348 004 OF 004 POINT OF CONTACT -----

8.(U) Washington point of contact for follow-up information is XXXXXXXXXXXX.

9.(U) Department thanks Post for its assistance.

CLINTON